

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NOS.6457-6458 OF 2008
(Arising out of S.L.P.(C) Nos.25591-25592/2008)

Union of India and Ors. Etc.Etc.

...Appellants

Versus

M/s. Kundan Rice Mills Ltd.

...Respondent

J U D G M E N T

Dr. ARIJIT PASAYAT, J.

Heard.

Though these matters were listed for admission, learned counsel for the parties requested the matters to be taken up for final disposal.

Leave granted.

We find that while adjudicating an interim matter, the High Court has given a categorical finding on merits holding inter-alia that there is nothing to show that even prima facie, goods are liable to confiscation. The High Court appears to have decided the matter on

merits finally even though that was not the stage for doing so and was beyond the scope of adjudication of the writ petition. This is not the way the High Court should have dealt with the matter. Apart from that, the High Court has not indicated any reason as to why the condition of execution of indemnity bond equivalent to seizure value of goods and/or furnishing of bank guarantee equal to 10% of value of goods, as was stipulated by the authorities, was not justified. This also adds to the vulnerability of the order. We set aside the impugned orders of the High Court. Let the High Court hear the matters afresh. To avoid unnecessary delay, let the parties appear before the High Court, without further notice, on 17.11.2008.

The Hon'ble Chief Justice of the High Court is requested to allot the matters, i.e. CWP No.13914/2008 and COCP No.1536/2008 to an appropriate Bench.

The appeals are disposed of accordingly.

.....J.

(Dr. ARIJIT PASAYAT)

.....J.

(Dr. MUKUNDAKAM SHARMA)

New Delhi,
November 03, 2008.